

**DEPARTMENT OF STATE REVENUE**

**LETTER OF FINDINGS NUMBER: 02-0186**

**Use Tax**

**For Calendar Years 1998, 1999, and 2000**

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**ISSUE(S)**

**I. Consumer Use Tax - Documentation**

**Authority:** 45 IAC 2.2-4-2

Taxpayer protests purchases that had tax assessed.

**STATEMENT OF FACTS**

Taxpayer was audited for calendar years 1998, 1999, and 2000. Upon audit it was discovered that the taxpayer failed to retain a majority of its purchase records. The invoices that were provided the auditor had no sales tax charged. After repeated requests to provide invoices, the auditor utilized the purchase amounts reported on Schedule C of the 1120 form for each year.

At hearing, the taxpayer requested additional time to provide copies of invoices. Thereafter, several telephone conversations ensued indicating the taxpayer had not been able to provide additional information other than an invoice indicating a reduction in tax in the amount of \$191.60 for 1999. The last telephone conversation was on September 6, 2002 when the taxpayer indicated that one of her suppliers had not supplied her with the promised information. The hearing officer called the supplier on September 10, 2002 and was informed that UNBS was not registered with the State of Indiana to collect sales tax.

**I. Consumer Use Tax - Documentation**

### **DISCUSSION**

Taxpayer protests the proposed assessments of consumer Use Tax arguing that she may have available for inspection, documents supporting her contention that sales tax was paid upon purchases made. Because of taxpayer's inability to timely provide proper documents to the auditor, a hearing was held. At the hearing, taxpayer stated that records would be made available within a short period of time. Said records were not provided, other than one invoice indicating tax paid in the amount of \$191.60 in 1999. That invoice, however, shows delivery to the taxpayer's home and is apparently for furnishings.

Taxpayer, on September 6, 2002 called the hearing officer and advised her that one of her suppliers would not verify whether tax was paid unless she had more detailed information regarding her purchases. On September 10, 2002, the hearing officer found that the retailer was not registered with the Indiana Department of Revenue.

The Department cannot allow a tax credit for 1999 in the amount of \$191.60 because the furnishings were delivered to the taxpayer's home. In addition, no fixed assets are shown on taxpayer's Schedule C. Taxpayer has not provided proof to allow a reduction in tax.

### **FINDING**

Taxpayer's protest is denied.